

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 06-11
	)	
Credit Associates of Maui, Ltd.	)	
	)	
Respondent	)	
_____	)	

CONCILIATION AGREEMENT

On or around September 18, 2006, a representative of Credit Associates of Maui, Ltd. ("Respondent") informed the staff of the Campaign Spending Commission ("Commission") that Respondent may have unintentionally made contributions to its noncandidate committee, in an aggregate amount greater than \$1,000 in an election.

NOW, THEREFORE, Respondent and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondent pursuant to section 11-216(g), HRS.
- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent having voluntarily and fully cooperated with this investigation desires to resolve any potential litigation by entering into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  - 1. On or around September 18, 2006, a representative of the Respondent informed the Commission's staff that Respondent may have unintentionally made contributions to a noncandidate committee, in an aggregate amount greater than \$1,000.00 in an election. Barbara U. Wong, Executive Director for the Commission, then initiated an investigation of the Respondent.
  - 2. Respondent is the sponsoring organization for the Credit Associates of Maui Ltd. noncandidate committee ("Committee").
  - 3. Section 11-204(b), HRS, reads as follows:

"No person or any other entity shall make contributions to a noncandidate committee, in an aggregate amount greater than \$1,000 in an election."

4. Respondent reported that it made contributions to the Committee and the Committee made contributions as follows:

<u>Date</u>	<u>Activity</u>	<u>Amount</u>	<u>Aggregate</u>	<u>Excess</u>	<u>Amount</u>	<u>Escheat</u>
2/28/2006	Respondent contributed to Committee	\$100	\$100	\$0		
2/28/2006	Committee contributed to Good Friends of Kyle Yamashita				\$100	\$0
3/2/2006	Respondent contributed to Committee	\$125	\$225	\$0		
3/2/2006	Friends of Joe Souki				\$125	\$0
8/14/2006	Respondent contributed to Committee	\$250	\$475	\$0		
8/14/2006	Good Friends of Kyle Yamashita			\$0	\$250	\$0
8/15/2006	Respondent contributed to Committee	\$1,500	\$1,975	<b>\$975</b>		\$1,025
8/15/2006	Friends of Alan Arakawa				\$1,500	
	Respondent contributed to Committee	\$150	\$2,125	<b>\$150</b>		
8/22/2006	Friends of Joseph Pontanilla	\$150			\$150	\$150
	Respondent contributed to Committee	\$100	\$2,225	<b>\$100</b>		
8/22/2006	Friends of Joe Souki				\$100	
9/12/2006	Friends of Joe Souki returned the contribution				(\$100)	\$0
	Respondent contributed to Committee	\$1,500	\$3,725	<b>\$1,500</b>		
9/6/2006	Linda Lingle Campaign Committee				\$1,500	
9/20/2006	Linda Lingle Campaign Committee returned the contribution				(\$1,500)	\$0
			<u>\$3,725</u>	<u>\$2,725</u>		<u>\$1,175</u>

5. Respondent unintentionally made four excess contributions totaling \$2,725 to the Committee in violation of section 11-204(b), HRS.

6. Respondent did not knowingly, intentionally, or recklessly violate section 11-204(b), HRS.
7. Section 11-204(e), Hawaii Revised Statutes (HRS), reads as follows:

“Any candidate, candidate's committee, or committee that receives in the aggregate more than the applicable limits set forth in this section in any primary, initial special, special, or general election from a person, shall be required to return any excess contribution to the original donor within thirty days of receipt of the excess contribution. Any excess contribution not returned to the original donor within thirty days shall escheat to the Hawaii election campaign fund. A candidate, candidate's committee, or committee who complies with this subsection prior to the initiation of prosecution shall not be subject to any penalty under section 11-228.”
8. A \$100 contribution, dated August 22, 2006, to the Friends of Joe Souki was returned within thirty days after it was received.
9. A \$1,500 contribution, dated September 6, 2006, to the Linda Lingle Campaign Committee was returned within thirty days after it was received.

10. A \$1,500 contribution, dated August 15, 2006, to the Friends of Alan Arakawa; and a \$150 contribution, dated August 22, 2006, to the Friends of Joseph Pontanilla were not returned within thirty days after the contributions were received.

VII. Settlement Terms

1. As final settlement of the matter and issues in Conciliation Agreement #06-11, Respondent understands and agrees to an assessment of Seven Hundred Fifty Dollars (\$750) pursuant to section 11-228, HRS.
2. The following excess contributions shall escheat to the Hawaii election campaign fund:
  - a. \$1,025 to the Friends of Alan Arakawa; and
  - b. \$150 to the Friends of Joseph Pontanilla.
3. Terms of payment of the assessment shall be by Order of the Commission.
4. Respondent agrees to comply with Hawaii laws on contributions and expenditures.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter and any and all other matters covered by this Agreement.

**FOR THE COMMISSION:**

Barbara Wong, Executive Director

\_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENT:**

Credit Associates of Maui, Ltd.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name - Print

Its: \_\_\_\_\_

Date: \_\_\_\_\_